

## **Enhanced quality for passengers – improved profitability for the company: Vienna Airport presents forward-looking terminal development project**

**Vienna Airport is continuing its quality-oriented strategy. Today it presented its concept for future terminal development. The priority is on increasing passenger comfort, expanding the shopping and gastronomy offering and creating a central security area spanning different terminals while simultaneously enhancing its earnings strength and profitability. The old building sections – Pier East and Terminal 2 – will be modernized and expanded to encompass new functions such as a central security area for the B, C and D gates and up to 10,000 m<sup>2</sup> of additional space for shopping and gastronomy. This would lead to an expansion of the total offering by about 50%. A new building will be constructed at the southern side of Terminal 3, enabling improved passenger flows between Terminal 2 and Terminal 3 and creating additional space for shopping, gastronomy and waiting areas. The project will be gradually implemented until the year 2023, with maximum investments of € 500 million. After close to two years of project development, the planning process will begin, for which the Supervisory Board approved a planning budget of up to € 39 million.**

“Thanks to the resolute implementation of our quality strategy, Vienna Airport is now at an internationally recognized 4-Star Airport level. In the past few years Terminal 1 was completely modernized, Pier West was newly and more attractively designed, the Shopping-Plaza was reorganized and numerous other improvement measures were carried out. The projects we have presented aim to provide passengers with greater comfort and a much more diverse shopping and gastronomical offering. It is our clear objective to become a the 5-Star Airport by implementing these improvements,” says Julian Jäger, Member of the Management Board of Flughafen Wien AG.

Günther Ofner, Member of the Management Board of Flughafen Wien AG, adds: “The earnings strength and profitability of the company will be sustainably improved on the basis of these economically optimized investment projects. As a ‘strong developer’, we will ensure project implementation on schedule and on budget. We will invest a maximum of € 500 million up to 2023. A ‘best practice’ construction controlling will ensure that this limit is not exceeded.”

### **Pier East: spacious gate areas and two-storied A380 handling**

Pier East with its D gates will be comprehensively modernized and redesigned similar to the renovation of Pier West and C gates in 2014. The partition walls by the old D gates will be removed and light, spacious gate areas will be created. Following the successful concept implemented in Pier West, a completely new and high quality shopping and gastronomy environment will also be constructed for the Pier East. Moreover, a docking possibility will be created to ensure the two-storied handling of wide-body aircraft such as the Airbus A380. Adaptation work is already underway for the announced regular operation of the A380 scheduled to begin in the summer of 2016, including passenger handling on one level, and is expected to be concluded by the end of June 2016. An important advantage for travelers will be the relocation of current security check points at the D gates to one large central security area in Terminal 2.

### **Terminal 2: central security screening for B, C and D gates**

Terminal 2 located between Terminal 1 and Terminal 3 was constructed in the 1960s and is thus one of the oldest buildings at Vienna Airport. On the basis of the planned modernization, Terminal 2 will play an important role in the future airport infrastructure. The previous security checks at the B, C and D gates will be relocated to one new, central security screening to be installed in Terminal 2. In this way, it will be possible for passengers in the future to freely move between the terminal areas in Terminals 1, 2 and 3 and conveniently use all shopping, gastronomic and lounge facilities and other passenger services after passing through security. Furthermore, the entire building infrastructure of Terminal 2 will be completely modernized. Walls, floors and lighting will be upgraded and the roof construction will be renovated. An expansion of the baggage claim area by adding three baggage carousels will serve as an additional advantage for passengers arriving at C or D gates.

### **Southern enlargement: more comfort in shopping and gastronomy in Terminal 3**

A new element in the future terminal landscape will be the new building constructed by the southern side of Terminal 3 adjacent to the check-in area. This will create an additional, spacious shopping and gastronomic environment for this terminal area as well as new, comfortable connection to the Pier East and other terminal areas. Passengers will experience numerous new shopping and gastronomic offerings with spectacular views of the airport apron and new exclusive lounge areas. Thanks to the planned relocation of the previous central security area in Terminal 3 to the new building, the freed-up space will also be used for shopping and gastronomic facilities. On balance, the renovation and new construction work will add up to 10,000 m<sup>2</sup> of new space for shopping and gastronomy. In addition, passengers will be able to conveniently transfer to all gate areas and the new shopping and gastronomic space of all terminals through the new southern section of Terminal 3.

### **Project implementation in four phases**

The implementation of the building projects will take place in four phases. The first step was to draft various options and select the economically and most functional alternative within the context of a two-year development phase. The projects were subject to a "life cycle assessment." The second step involves detailed project planning over a period of 18-24 months. For this purpose, the Supervisory Board approved a maximum planning budget of € 39 million. The third step is approval of project implementation by the Supervisory Board. The fourth and final phase, after planning has been fully completed, will begin in the year 2018 with project implementation of various sub-projects. The entire project duration will be from 2016 to 2013, although individual project modules will be put into operation at an earlier date.

A top priority for Flughafen Wien AG is to ensure a high level of customer orientation. Greater importance is to be attached to the needs of future users than to design aspects. The timely involvement of relief organizations, family and senior citizen associations ensure that the concerns of people with special needs will be taken into account. Future operating costs will be minimized thanks to high ecological and energy-related standards.

### **Increased overall profitability of the company**

The Supervisory Board resolved upon a maximum cost cap for all projects of € 500 million. From today's perspective, financing will largely be based on the ongoing cash flow surplus. During the duration of the project, net debt will remain under 2x net debt/EBITDA ratio. The return related to the expansion of the space devoted to shopping and gastronomy at about

9% will be considerably higher than the corporate WACC. The overall profitability of the company will be significantly enhanced by the terminal project.

**A strong developer: new building organization for Vienna Airport**

The airport is well positioned to implement the new project. Flughafen Wien AG will have all the required personnel and material resources at its disposal to act as a “strong developer.” It has implemented all the recommendations of the Austrian Court of Audit, successfully restructuring and revamping its building operations and relevant staff. Purchasing will take place within the context of a European-wide tender process in line with the Austrian Public Procurement Law. An in-house control system was set up, and local construction supervision will be carried out by its own subsidiary. The Supervisory Board has set up a Building Committee, and a Construction Advisory Council consisting of top external experts has been created. Moreover, internal cost and construction controlling was improved.

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